

And while we must deal with the bad actors in the lending industry, let's not forget about the good lenders and investors that have helped thousands of families successfully purchase their homes.

This bill is a step in the right direction, but improvements should be made as this legislation moves forward. I was hoping that the Democratic-controlled Rules Committee would see fit to provide an open rule for consideration of this bill. Under an open rule, Members could come to the floor and offer amendments in their effort to perfect this bill. While this rule allows several amendments to be offered, it is unfortunate that this restrictive rule also prevents Members of Congress from offering amendments on the floor during debate of the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCURI. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. MATSUI), my colleague from the Rules Committee.

Ms. MATSUI. I thank the gentleman from New York for yielding me time.

Mr. Speaker, I rise today in support of the rule and the underlying legislation, the Mortgage Reform and Anti-Predatory Lending Act of 2007.

The subprime housing crisis is a real threat to our economy. It has already had a devastating impact on our families, our neighbors, and our communities. My home district of Sacramento ranks among the hardest hit areas in the country.

My district ranks fifth in the Nation in adjustable rate mortgages that are expected to reset to higher rates in the future, putting more homeowners at risk of foreclosures. Just last quarter, close to 4,000 homes were foreclosed upon. Without decisive action, this crisis will continue to threaten many more hardworking Americans. As property values continue to fluctuate, it has become harder for many borrowers who are currently locked into these so-called teaser rates to refinance to more affordable loans.

Mr. Speaker, this crisis has affected every aspect of our economy. Coupled with the rising gas and heating prices, our country is entering into a very cold winter indeed. In response, the Federal Reserve has cut interest rates and produced more currency, which has further weakened the U.S. dollar to new lows, prompting inflation fears.

Mr. Speaker, we in Congress have a duty to address this crisis. Chairman FRANK's bill is a step in the right direction. The bill establishes standards for home loans, while holding lenders and brokers accountable. The bill also prevents lenders and brokers from steering consumers to high-cost subprime loans just to make a quick extra buck.

Mr. Speaker, Congress needs to be a partner with the communities which we serve. We must work together to find a comprehensive strategy that will protect our homeowners.

Mr. HASTINGS of Washington. Mr. Speaker, I reserve my time.

Mr. ARCURI. Mr. Speaker, I yield 6 minutes to the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. I thank my distinguished colleague from New York (Mr. ARCURI). I really appreciate this opportunity.

Mr. Speaker, I stand here with 100 percent support for H.R. 3915. Let me just start off my comments by sharing with you and the Members of the House and the people of this country how severe this issue within the mortgage industry is, particularly within my district and my beloved State of Georgia. We are one of the leading States that have been victims of abusive lending practices, predatory lending, and certainly we are at the epicenter of this mortgage crisis facing us in this country.

For example, Mr. Speaker, 40 percent of the loans in my district are in the subprime area. Homeowners in my district have lost \$159 million in home equity value. One of the counties in my district, Clayton County, is one of the leading counties in this State that has suffered so desperately from home foreclosures due to subprime lending, abuses within the lending practice, and certainly the epicenter of it all, the eye of the storm, is predatory lending.

My State of Georgia has been fighting this battle for an awfully long time. Even during my days in the Georgia State Legislature as a Georgia State Senator, we had to deal with this issue of abuse from Fleet Finance.

So I want to just start with laying that out, Mr. Speaker, so you can see how critical this issue is, not only within my State of Georgia, but facing this entire Nation. That is why we have this bill. It is an important bill, and it is important because it is urgent that we move in a timely manner.

Let me just state very quickly, Mr. Speaker, if I may, what the key areas are in the reform of this bill.

First of all, it creates a new licensing structure for mortgage brokers and loan originators. This is done to ensure that they are licensed and that they are held accountable for the quality of the loans that they originate. This is very important.

Second, it creates a new minimum standard for mortgages and protections to ensure that all loans are properly underwritten, and eases the way for high-quality or qualified loans, qualified mortgages, to be securitized. This is very important. This is especially important because it ensures continued liquidity in the mortgage securities market, and that is what we really need to make sure that we do foremost, is to make sure we have the money there, to make sure we have the liquidity there.

The third key area is it expands the definition for high-cost mortgages, which greatly increases the protections available for consumers if they desire to select a subprime mortgage.

Now, this bill also addresses reckless loan underwriting, it addresses abusive

subprime payment penalties, and it deals with direct incentives for mortgage brokers to steer families into expensive and risky loans. There are a lot of these kinds of unsatisfactory practices that are going on in this industry, let me say not by everyone, but there are some bad actors in this mortgage industry situation. This bill attempts to weave a delicate balance to move in and deal with those that are doing wrong and provide the kinds of protections that our consumers need.

This legislation is needed because all Americans should be protected against predatory lenders. Those are the ones that we are after the most, these folks that sit there and they look and they target areas. They target the most vulnerable people among us. They target minorities. They target African Americans especially. They target Hispanics. They target senior citizens, some of the most vulnerable people. They take advantage of the significant complexity of the language and the complicated situations that are involved in the mortgage industry, so that many people don't know what they are signing for on the bottom line, and they take advantage of that.

We need this legislation because consumers should get good credit. The best thing we can do for consumers currently on bad loans and for future borrowers is to ensure that they can get good credit.

This legislation is needed because credit availability must be preserved, especially in the troubled market that we are in right now. Lenders should not make loans that they know that the consumer cannot pay back.

Mr. Speaker, it is almost unspeakable for many of these loan originators, who know that many of these people can't pay these loans, but they go ahead and they deal with it.

Let me just deal finally with the arguments that there are some on the side that say the legislation is too weak. There are others that say the legislation is too strong. Well, I would just like to say we in Congress have to work with almost everything. It is sort of like making sausage. We have to pull this. We have to pull that. We have to try to come up with a bill that, first of all, we can get through the Congress.

But I am willing to bank my stake on it, Mr. Speaker, that this is a good bill. This is a bill which is a first step which we can deal with. And if they say that this bill is so weak, why are my phones ringing in my office, ringing both here and in Atlanta, Georgia, from bankers and from brokers who are saying that this bill is too strong?

This bill is an effort to move. It is important national lending legislation that, for the first time, prohibits steering a consumer to a loan that would do these four things: A loan that the consumer cannot pay, a loan that does not provide net tangible benefits, a loan that has predatory characteristics, and a loan that treats borrowers differently based on their race or their economic standing.